GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1280
ANSWERED ON:10.03.2005
PERMISSION TO FOREIGN COMPANIES FOR OIL EXPLORATION
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government have permitted the foreign oil exploration companies to explore new oil reserves in Rajasthan;

(b) if so, the details thereof;

(c) the time by which oil is likely to be extracted from these new areas;

(d) the number of more such areas of Rajasthan where exploration of oil is likely to begin;

(e) whether import of oil is estimated to go down after exploration of oil in these areas alongwith the percentage of the estimated decrease in the import of oil as a result thereof; and

(f) if so, the details thereof?

Answer

MINISTER OF PETROLEUM AND NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b): Yes Sir, Government of India have invited foreign companies to explore oil and gas in the country, including the State of Rajasthan, through various exploration bidding rounds under the New Exploration Licensing Policy(NELP) as well as earlier pre-NELP rounds.

So far, Production Sharing Contracts (PSC) for three exploration blocks in the State of Rajasthan have been signed with foreign companies under NELP rounds. Oil has been discovered in one block RJ-ON-90/1 under exploration by M/s Cairn Energy India(Pty.) Limited. Two exploration blocks (RJ-ON-90/4 & RJ-ON-90/5) have been relinquished after exploration phase-I & III respectively, where a Polish Oil & Gas Company was working with an Indian company, M/s Essar Oil Ltd.

(c) Four of the oil discoveries in the block RJ-ON-90/1 have been declared to be commercial on 15 October, 2004. As per PSC, development plan for these discoveries is to be submitted by the operator within 200 days of the declaration of commerciality. Other four discoveries in the block are under appraisal. The time of start of commercial oil production would depend upon the preparation of development plan of commercial discoveries by the operator and its approval by Management Committee and implementation.

(d) As far as production sharing regime is concerned, four more exploration blocks are under exploration in Rajasthan, out of which one block is with Indian private company while three blocks are with Oil India Ltd. and Oil & Natural Gas Corporation Ltd.(ONGC). In addition, ONGC is also carrying out hydrocarbon exploration in two blocks awarded to it on nomination basis falling in Jaisalmer Basin. Three more exploration blocks in Rajasthan are on offer under fifth round of NELP for which last date of submission of bids is 31.05.2005.

(e) & (f): Yes Sir, import of oil would come down to the extent of production from the development of discoveries in the block for which development plan is under preparation.